



Agency Consultant Usage Checklist

DECISION CRITERIA FOR USING A CONSULTANT CONTRACT	
Yes or No	Questions
	1. Is the project for a short-term specialized service?
	2. Does the agency have the internal expertise currently available?
	3. Is the project of limited duration and does the agency not have or does not wish to establish the FTEs in an effort to avoid future RIFs.
	4. By state or federal law, is the agency required to privatize or contract for the service?
	5. Does the funding source or grant require the agency to privatize or contract for the service?
	6. Is the contract being established from a State/Agency desire for community partnering?
	7. Is there a purely economic justification for privatization or contracting for the services?
	8. Is there a need to supplement the agency staff for a short time, for a long term project to allow for maximum production, training, or transition time?
	9. Other (Explain):

Please turn over.

**CRITERIA FOR IDENTIFYING
AN EMPLOYEE VS. INDEPENDENT CONTRACTOR***
(Taken from GAO Technical Bulletin 99-6)

True or False	Characteristics
	1. The individual can earn a profit or suffer a loss as a result of the service being performed.
	2. The individual can choose where to perform the service.
	3. The individual offers services to the general public.
	4. The agency does not have the right to fire the individual. (However, an independent contractor can be terminated in accordance with the agreement.)
	5. Tools and materials necessary for completing the job or performing the service are provided by the individual.
	6. The individual is paid a flat rate and/or submits invoices for payment.
	7. The individual has more than one client.
	8. The individual works on one project and then severs the relationship.
	9. The individual has an investment in the equipment and facilities appropriate for his or her business.
	10. Business and travel expenses are paid by the individual.
	11. The individual is legally obligated to complete the work he/she agreed to do.
	12. The individual decides how to perform the service.
	13. The individual decides in which sequence to perform the service.
	14. Training is not provided for the individual.
	15. The individual is able to hire another person to complete or perform services.
	16. The individual is able to hire, supervise and pay assistants.
	17. The individual is able to set his/her own time; time sheets are not used.
	18. The individual is free to work when and for whom he/she chooses.
	19. Regular oral or written reports are not required from the individual; he/she is only responsible for the end results.
	20. Services performed by the individual are not an integral part of the agency's operations.

**Answering true to these statements means an independent contractor. "If a significant number of these statements are false, the individual in question is likely to be considered an employee for Federal and State income tax purposes, FICA, unemployment insurance, workers' compensation, etc. There is no predetermined number of factors necessary to determine whether an individual is an employee or an independent contractor. Each factor should be evaluated to determine an individual's classification. Employer control over a worker, or the mere ability to control a worker, is likely to indicate employee status." GAO Technical Bulletin 99-6 (I. C.)*